United Nations S/AC.50/2007/70

Security Council

Distr.: General
6 June 2007

Original: English

Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 21 May 2007 from the Permanent Mission of Australia to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Australia to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1737 (2006), and has the honour to submit to the Council a report pursuant to paragraph 19 of resolution 1747 (2007) on the steps taken by the Government of Australia to implement effectively the resolution (see annex).

07-37924 (E) 050707

Annex to the note verbale dated 21 May 2007 from the Permanent Mission of Australia to the Chairman of the Committee

At 21 May 2007, the Government of Australia (hereafter "Australia") has taken the following steps to implement effectively operative paragraph (OPs) 2, 4, 5, 6 and 7 of Security Council resolution 1747 (2007).

Measures taken in accordance with operative paragraph 2: exercise vigilance and restraint regarding the entry into or transit through Australia of individuals associated with Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems and notify the Committee of any travel by designated persons

1. The Australian Government has in place established procedures to screen visa applicants and holders for connections to weapons of mass destruction. These procedures are the vehicle by which Australia is implementing OP 2.

2. Australia has a universal visa system requiring non-citizens to have a valid visa in order to enter Australia. In most cases, the non-citizen must obtain the visa prior to travelling to Australia. The Department of Immigration and Citizenship (DIAC) maintains a Movement Alert List (MAL). A check is conducted against the MAL prior to any decision to grant a visa to enter Australia. The MAL is electronically accessible by DIAC officers posted to Australia's diplomatic and consular missions worldwide. A complete MAL update is sent electronically at least daily to Australia's overseas missions. Additional checks are also undertaken at Australian entry points to ensure that any person listed on the MAL subsequent to a visa grant is identified. Where an individual is listed on the MAL, further enquiries must be made before a visa can be granted, or, if it has already been granted, to examine whether it should be cancelled.

3. All additional individuals designated by the Security Council in the annex to Security Council resolution 1747 have been placed on the MAL. Under existing Australian legislation (the *Migration Regulations 1994*), if the Minister for Foreign Affairs determines that a *holder of a visa* is a person whose presence in Australia may be directly or indirectly associated with the proliferation of weapons of mass destruction (Regulation 2.43(1)) visa cancellation may occur under the *Migration Act 1958*. The Minister for Foreign Affairs may also determine that a *visa applicant* is a person whose presence in Australia may be directly or indirectly associated with the proliferation of weapons of mass destruction (Public Interest Criteria 4003(b) and 4003A). Should the Minister for Foreign Affairs make an adverse determination against a *visa applicant* on these grounds, the Minister for Immigration and Citizenship would refuse to grant the visa in accordance with section 65(1)(b) of the *Migration Act 1958*.

Measures taken in accordance with operative paragraph 4: Impose financial restrictions on an expanded list of individuals and entities in accordance with paragraphs 12, 13, 14 and 15 of Security Council resolution 1737 (2006)

4. Australia has implemented OP 4 under the *Charter of the United Nations (Sanctions — Iran) Regulations 2007* (hereafter "the Iran Regulations"). The Iran Regulations took effect on 21 February 2007 to implement Security Council resolution 1737 into Australian law. Australia took action to amend the Iran

Regulations to clarify that financial restrictions also apply to persons and entities designated in the annex to resolution 1747. The amendments took effect on 15 May 2007.

5. Regulation 13 of the Iran Regulations provides that a person commits an offence if the person holds a freezable asset and uses or deals in the freezable asset (including allowing or facilitating such use or dealing). "Freezable assets" are those assets owned or controlled, directly or indirectly, in Australia by designated persons or designated entities. Regulation 14 of the Iran Regulations provides that a person commits an offence if the person, directly or indirectly, makes an asset available to a designated person or a designated entity.

6. "Designated persons" and "designated entities" include those designated in the annexes to resolutions 1737 and 1747, as well as any additional persons or entities designated by the Committee or by the Security Council for the purpose of OP 12 of the resolution. In addition, designated persons and designated entities, include those acting on behalf of, or at the direction of, persons or entities directly designated, as well as entities owned or controlled by such persons or entities.

7. Regulation 15 of the Iran Regulations provides that the Minister for Foreign Affairs can authorize otherwise prohibited dealings under regulations 13 or 14. The Minister can exercise this power to allow for dealings which have been approved by the Committee as exemptions under OP 13, OP 14 or OP 15 of Security Council resolution 1737.

8. While it is the responsibility of banks and other financial institutions to ensure they comply with any requirements to freeze the assets of their clients, the Australian Government is facilitating compliance with the legislation by the financial sector in a number of ways. The Department of Foreign Affairs and Trade (DFAT) has published a list of persons and entities that have been designated by the Security Council under Security Council resolution 1737 and Security Council resolution 1747 and made it available to the public on the internet.

9. In addition, the Australian Transaction Reports and Analysis Centre (AUSTRAC) has issued an information circular to its reporting entities (e.g. financial institutions) outlining Security Council resolution 1747 and Australian legislation, including the amended Iran Regulations. The AUSTRAC circular states that reporting entities should take into account these measures when considering whether particular transactions should be reported to AUSTRAC as suspicious under the *Financial Transaction Reports Act 1988*.

Measures taken in accordance with operative paragraph 5: Prohibition on the procurement, directly or indirectly, of any arms or related materiel from Iran, whether or not originating in the territory of Iran

10. Australia has implemented OP 5 through amendments to the *Customs (Prohibited Imports) Regulations 1956* (hereafter "the Customs Import Regulations") and the Iran Regulations.

A. Customs Import Regulations

11. Regulation 4Z of the Customs Import Regulations has been amended to provide that it is an offence to import into Australia arms or related materiel from Iran. This offence covers all imports of arms or related materiel from Iran,

regardless of whether the arms or related materiel originates from Iran. The amendment took effect on 15 May 2007.

B. Iran Regulations

12. A new Regulation 10B has been inserted into the Iran Regulations to provide that it is an offence to engage in conduct resulting in the procurement of arms or related materiel from Iran or a person in Iran, regardless of whether the arms or related materiel originates in Iran. A new Regulation 10A has been inserted to provide that this prohibition applies within Australia as well as extraterritorially to Australian citizens overseas.

13. A new Regulation 12A has been inserted into the Iran Regulations to impose specific obligations in relation to Australian aircraft and ships. Regulation 12A provides that the owner, pilot in command or operator of an Australian aircraft must not allow the aircraft to be used in a way that results in the procurement of arms or related materiel from Iran or a person in Iran, whether or not the arms or materiel originated in Iran. Regulation 12A also provides that the owner, master or operator of an Australian ship must not allow the ship to be used in a way that results in the procurement of arms or related materiel from Iran or a person in Iran, whether or not the arms or materiel originated in Iran.

14. The Australian Department of Transport and Regional Services will arrange for the publication of a Marine Notice. A Notice to Airmen has also been circulated informing aircraft operators and pilots operating in Australian airspace that an Aeronautical Information Publication Supplement has been issued to advise of the requirements related to the amended Iran Regulations. Together, these measures will clearly inform Australian-flagged vessels, aircraft operators and pilots operating in Australian airspace of their additional obligations under Security Council resolution 1747.

Measures taken in accordance with operative paragraph 6: Exercise vigilance and restraint in the supply, sale or transfer to Iran of, or the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, related to the supply, sale, transfer, manufacture or use of, any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles, or missile systems

15. Australia is implementing OP 6 under its existing defence and strategic goods export control regime. Australian export controls related to the export of military and dual-use technologies are implemented under the *Customs Act 1901*. Regulation 13E of the *Customs (Prohibited Exports) Regulations 1958* (hereafter "the Customs Export Regulations") and additionally, in respect of WMD-related goods and services, in the *Weapons of Mass Destruction (Prevention of Proliferation) Act 1995* (hereafter "the WMD Act"). Export controls under these regulations cover a wide range of defence and related goods and technologies, nuclear related goods and goods and technologies with both civil and military applications. The list of goods controlled forms the Defence and Strategic Goods List (DSGL) and includes equipment, assemblies and components, associated test, inspection and production equipment, materials, software and technology.

16. The export of military and specified dual-use technologies listed in the DSGL is controlled under Regulation 13E of the Customs Export Regulations. Regulation

13E provides that it is an offence to export goods on the DSGL without the approval of the Minister of Defence or his delegate. Australia also applies catch-all controls contained in the WMD Act. This Act and its derived Regulations provide controls for goods, technologies and services not regulated by the Customs Act. The WMD Act prohibits the provision of non-regulated goods or services where there is a reasonable suspicion or belief that the goods or services would or may assist a WMD program. The WMD-related controls regulate the export and transfer, both within and outside Australian territory, of otherwise uncontrolled technologies. The WMD Act's jurisdiction extends to the transfer of intangibles and transfers via intangible means (for example, electronic, photonic). The Minister for Defence will exercise his discretion consistent with OP 6 in considering any application to export military goods to Iran.

17. More detailed information on Australia's export control regime, and a copy of the DSGL, is available on the Australian Department of Defence website at http://www.defence.gov.au/strategy/dtcc.

Measures taken in accordance with operative paragraph 7: States and international financial institutions to refrain from entering into new commitments for grants, financial assistance, and concessional loans to the Government of Iran except for humanitarian and developmental purposes

18. Australia is implementing OP 7 by not entering into new commitments for grants, financial assistance or concessional loans to the Government of Iran except for humanitarian and developmental purposes.

United Nations S/AC.50/2007/71

Security Council

Distr.: General
6 June 2007
English
Original: Spanish

Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 18 May 2007 from the Permanent Mission of Costa Rica to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of Costa Rica to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1737 (2006) and 1747 (2007) and has the honour to refer to his note requesting information on the measures taken by Costa Rica in implementation of the aforementioned resolutions. In that regard, the Permanent Mission of Costa Rica has the honour to inform the Committee of the following.

The trade relations which Costa Rica maintains with the Islamic Republic of Iran are limited to the export of purees, pastas and fruit juices; in turn, Costa Rica imports from that country carpets, mixtures of substances for the beverage industry and some liquors.

07-37918 (E) 260607 260607

United Nations S/AC.50/2007/72

Security Council

Distr.: General
6 June 2007

Original: English

Security Council Committee established pursuant to resolution 1737 (2006)

Note verbale dated 21 May 2007 from the Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1737 (2006), and has the honour to attach its report pursuant to paragraph 8 of resolution 1747 (2007) on the steps taken by the Government of the United Kingdom to implement paragraphs 2, 4, 5, 6 and 7 of the above-mentioned resolution (see annex).

07-37907 (E) 260607

Annex to the note verbale dated 21 May 2007 from the Permanent Mission of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Chairman of the Committee

Introduction

1. Please see the relevant sections below for details of how the UK has implemented the measures contained in paragraphs 2, 4, 5, 6 and 7 of resolution 1747 (2007) within the UK's legal and administrative structure. The responsible Government department in the United Kingdom, the Foreign and Commonwealth Office, will ensure that details of individuals and entities designated with respect to these measures are transmitted to appropriate government departments and posts overseas.

Financial Asset Freeze

2. HM Treasury is responsible for implementing financial sanctions within the United Kingdom. As stated in the United Kingdom's report pursuant to paragraph 19 of resolution 1737 (2006) in order to implement the financial sanctions element of resolution 1737 (2006) secondary legislation made under the United Nations Act 1946 was adopted on 9 February 2007 by the Privy Council. This legislation allows for immediate financial restrictions to be applied to any individuals/entities listed by the United Nations. Therefore financial sanctions were immediately applied to those listed individuals/entities designated under resolution 1747 (2007), including Bank Sepah International.

3. The Bank of England is responsible for the administration of financial sanctions in the UK as agent for HM Treasury, and this includes publicizing information on financial sanctions on their website and also through an alert system that updates approximately 3,000 subscribers. Therefore, financial institutions will be able to freeze relevant accounts of listed persons and entities to ensure compliance with the obligations set out in resolution 1737 (2006) and resolution 1747 (2007).

4. The Financial Services Authority (FSA) administers compliance and will be taking an active approach to ensuring that those firms with known active Iranian connections are compliant with the resolution and do not provide financial services to persons/entities on the United Nations financial sanctions list.

Travel Restrictions

5. The UK is applying a full travel ban on the individuals listed in annex 1 to resolution 1747 (2007) as required by EU Common Position 2007/140/CFSP, as amended by EU Common Position 2007/246/CFSP on 13 April 2007.

6. The EU has also extended the travel ban to other persons not listed in the annexes to resolutions 1737 (2006) and 1747 (2007), who are engaged in, directly associated with, or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology.

7. To implement this travel ban the UK has entered the details of those individuals and entities listed onto the UK's border "watch lists". UK visa issuing posts overseas have been instructed to refuse all entry clearance applications from listed individuals. UK border control staff have been instructed to refuse entry to or transit through the UK to listed individuals.

8. The EU Travel ban allows for exemptions in certain circumstances. If the UK grants an exemption to a listed, individual procedures have been put in place to ensure that the details are passed to the sanctions Committee.

Exports

9. Resolution 1747 (2007) calls on United Nations Member States to take action against Iran, including implementing controls to ensure that:

- Iran shall not supply, sell or transfer directly or indirectly from its territory or by its nationals any arms or related materiel and all States shall prohibit the procurement of such items from Iran by their nationals; and
- States should exercise vigilance and restraint in the supply, sale or transfer, directly or indirectly, from their territories or by their nationals of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems to Iran and in the provision to Iran of technical assistance, training, financial assistance, investment, brokering or other services related to supply, sale, transfer, manufacture or use of such items.

10. The following export controls relevant to the provisions of resolution 1747 (2007) are already in place:

The Export of Goods, Transfer of Technology and Provision of Technical Assistance (Control) Order 2003 ("the Export Order") provides that:

- exports of military listed goods are prohibited for export from the UK to all destinations without a licence;
- transit/trans-shipment of military goods, through the UK to Iran are prohibited without a licence.

The Trade in Goods (Control) Order 2003 ("the Trade Order") provides for:

- a trade prohibition on any act or part of an act done in the UK that may result in the removal of "controlled goods", such as military list items (excluding software and technology), from one third country to another third country; and a trade prohibition on any act or part of an act done in the UK or elsewhere by a UK person in relation to "restricted goods" (e.g., missiles capable of a range of 300 km or more and specially designed components) that will or may result in the removal of those goods from one third country to another third country.

The Trade in Controlled Goods (Embargoed Destinations) Order 2004 ("the 2004 Order") prohibits:

- trade prohibition on any person in the UK, or a UK person anywhere in the world, from supplying or delivering, agreeing to supply or deliver, or doing any act calculated to promote the supply or delivery of "controlled goods",

such as military list items (excluding software and technology), to any person or place in a listed embargoed destination (includes Iran).

11. Resolution 1747 (2007) also requires Member States to apply controls on:

- The use of flag vessels or aircraft;
- Technical and financial assistance.

12. The UK is implementing a full arms embargo on Iran in line with EU Common Position 2007/246/CFSP of 23 April 2007. Following the adoption of the EC Regulation — which will be directly applicable in UK domestic law — further UK implementing legislation will be made to provide, inter alia, for offences and penalties for breaches of the Regulation.

Enforcement

13. HM Revenue and Customs (HMRC) is the UK's enforcement authority for the sanctions listed in paragraphs 9 to 12 above.

14. HMRC continues to enforce the UK's export licensing system on all military goods, and dual-use goods and technology (including intangible transfers) controlled under EC Regulation 1334/2000 destined for Iran. This will include goods that are in transit or being trans-shipped through the UK. HMRC is also alert to the risk of controlled goods being exported to known diversionary destinations and, on the basis of good quality intelligence, will intercept goods that are likely to be illegally diverted to Iran.

15. As part of its enforcement responsibilities, HMRC also continues to enforce the end-use control. Particular attention is given to high quality industrial goods destined for Iran. In this regard, HMRC specifically targets a range of Iranian end-users that are suspected of being involved in the Iranian nuclear and missile programme. This includes not only the entities listed in resolutions 1737 (2006) and 1747 (2007), but also other suspected procurement entities in Iran and elsewhere. Where goods are suspected of requiring DTI export licence, the consignment will be stopped and, depending on the circumstances of the case, enforcement action taken which may include seizure.

16. HMRC targets direct flights to Iran for possible export breaches, and we continue to monitor the situation closely. On imports, some military items are already subject to UK import licensing controls.

17. HMRC also enforces the prohibition on trafficking and brokering controls in relation to military goods both originating in, and destined for, Iran, where the trade activity is undertaken within the UK or by a UK national anywhere in the world.

Grants, financial assistance and concessional loans

18. The UK will not enter into new commitments for grants, financial assistance and concessional loans to the Government of Iran, including through their participation in international financial institutions, except for humanitarian and developmental purposes, in line with the prohibition contained in EU Common Position 2007/246/CFSP of 23 April 2007.

EU Measures

19. The EU has implemented the provisions of resolutions 1737 (2006) and 1747 (2007) by adopting Common Positions 2007/140/CFSP of 27 February 2007 and 2007/246/CFSP of 23 April 2007 and EC Regulation No. 423/2007 of 19 April 2007.

20. We are working with our EU partners to ensure complete EU-level implementation. This will ensure consistent implementation by member States and is also necessary for full UK implementation, as certain measures come within Community competence.